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JAN 25 '02

10-09 AM

SURFACE TRANSPORTATION BOARD

lgitomer@bjllp.com

June 25, 2002

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Secretary Williams:

I have enclosed two originals of the document described below, to be recorded pursuant to 49 U.S.C. § 11301.

The document is a Memorandum of Trust Indenture and Security Agreement (Southern Capital Trust I 2002-1), a secondary document, dated as of June 25, 2002. The primary document to which this is connected is recorded under Recordation No. 20312. We request that this document be recorded under Recordation No. 20312-X.

The names and addresses of the parties to the Memorandum of Trust Indenture and Security Agreement (Southern Capital Trust I 2002-1) are:

Owner Trustee:

Wilmington Trust Company
Rodney Square North
1100 North Market Street
Wilmington, DE 19890-0001

Indenture Trustee:

Allfirst Bank
25 South Charles Street
Baltimore MD 21201

A description of the equipment covered by the Memorandum of Trust Indenture and Security Agreement (Southern Capital Trust I 2002-1) consists of 50 AC4400 CW locomotives numbered KCS 2000-2049, inclusive.

PORTLAND, OREGON

WASHINGTON, D.C.

BEND, OREGON

BALL JANIK LLP

Honorable Vernon A. Williams

June 25, 2002

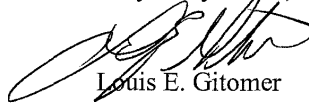
Page 2

A fee of \$30.00 is enclosed. Please return one original to:

Louis E. Gitomer
Of Counsel
Ball Janik LLP
Suite 225
1455 F Street, N.W.
Washington, DC 20005

A short summary of the document to appear in the index follows: a Memorandum of Trust Indenture and Security Agreement (Southern Capital Trust I 2002-1) between Wilmington Trust Company, Rodney Square North, 1100 North Market Street, Wilmington, DE 19890-0001, and Allfirst Bank, 25 South Charles Street, Baltimore MD 21201, consists of 50 AC4400 CW locomotives numbered KCS 2000-2049, inclusive.

Very Truly Yours,



Louis E. Gitomer

Enclosures

**MEMORANDUM OF TRUST INDENTURE AND SECURITY AGREEMENT
(SOUTHERN CAPITAL TRUST I 2002-1)**

THIS MEMORANDUM OF TRUST INDENTURE AND SECURITY AGREEMENT (SOUTHERN CAPITAL TRUST I 2002-1) made and entered into on June 25, 2002 by and between **WILMINGTON TRUST COMPANY**, a Delaware banking corporation, not in its individual capacity except as stated therein, but solely as Owner Trustee ("**Owner Trustee**"), and **ALLFIRST BANK**, a state chartered commercial bank organized under the laws of the State of Maryland, as Indenture Trustee ("**Indenture Trustee**").

W I T N E S S E T H:

The undersigned have entered into that certain Trust Indenture and Security Agreement (Southern Capital Trust I 2002-1) (the "**Indenture**"), dated as of June 25, 2002, whereby the Owner Trustee and the Indenture Trustee desire, among other things, (i) to provide for the issuance by the Owner Trustee of the Equipment Note, and (ii) to provide for the assignment, mortgage and pledge by the Lessor to the Indenture Trustee, as part of the Indenture Estate thereunder, among other things, of, and the grant of a security interest in, certain of the Owner Trustee's right, title and interest in and to the Equipment and the Operative Agreements and certain payments and other amounts received thereunder, in accordance with the terms thereof, in trust, as security for, among other things, the Owner Trustee's obligations for the equal and ratable benefit of the holders of the Equipment Note, subject to the terms of the Indenture.

For the purposes of facilitating the execution of this memorandum, this memorandum may be executed simultaneously in any number of counterparts, each of which counterparts shall be deemed to be an original, and all of which counterparts shall constitute but one and the same instrument.

Capitalized terms used herein and not otherwise defined shall have the meanings assigned thereto in Appendix A to the Trust Indenture and Security Agreement.

* * *


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JUN 25 '02 10-8 9 AM

SURFACE TRANSPORTATION BOARD

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed by their respective officers duly authorized on the date and year hereof.

WILMINGTON TRUST COMPANY, not in
its individual capacity but solely as Owner
Trustee

By: 
Name: **Donald G. MacKelcan**
Title: **Vice President**

ALLFIRST BANK, as Indenture Trustee

By: _____
Name:
Title:

STATE OF Delaware)

COUNTY OF New Castle)

On this 18th day of June, 2002 before me personally appeared Donald G. MacKelcan, to me personally known, who being duly sworn, says that he/she is the Vice President of WILMINGTON TRUST CO., that said instrument was signed on behalf of said corporation by authority of its Board of Directors; and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Kathleen A. Fedelini
Notary Public

My commission expires: _____

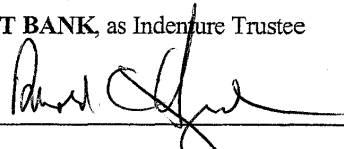
KATHLEEN A. FEDELINI
NOTARY PUBLIC-DELAWARE
My Commission Expires Oct. 31, 2004

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed by their respective officers duly authorized on the date and year hereof.

WILMINGTON TRUST COMPANY, not in
its individual capacity but solely as Owner
Trustee

By: _____
Name:
Title:

ALLFIRST BANK, as Indenture Trustee

By:  _____
Name:
Title: Donald C. Hargadon
Vice President

STATE OF Maryland)

COUNTY OF Baltimore)

^{City} On this 18th day of June, 2002 before me personally appeared Donald Harguland to me personally known, who being duly sworn, says that he/she is the Vice President of Alfirst Bank, that said instrument was signed on behalf of said corporation by authority of its Board of Directors; and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Deborah K. Bailey
Notary Public

My commission expires: 4/1/2006